

DRAFT AWARD FEE PLAN

for

TBD

**Paducah Deactivation
Task Order Number DE-SOL-0004563**

Period of Performance TBD through TBD

CONCUR:

**Paducah Deactivation Technical Lead
Portsmouth/Paducah Project Office**

**Paducah Site Lead
Portsmouth/Paducah Project Office**

APPROVED:

**Field Element Manager
Portsmouth/Paducah Project Office**

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1. INTRODUCTION

The purpose of this Award Fee Plan is to define the methodology and responsibilities associated with determining the fee to be awarded to the Contractor. The plan outlines the organization, procedures, evaluation criteria and evaluation periods for implementing the award fee provisions of the Task Order. The objective of the award fee is to motivate the Contractor to substantially exceed standards and to emphasize key areas of performance without jeopardizing minimum acceptable performance in all other areas.

This plan covers the period from TBD through TBD.

This is a cost plus award fee Task Order and was awarded in TBD with a three year term. The Task Order provides deactivation services for the Paducah Site. The award fee amounts are provided in Section 6.

2. DEFINITION OF TERMS

- a. **Contracting Officer (CO):** The individual authorized to commit and obligate the Government through the life of the Task Order. The CO is an advisor to the Performance Evaluation Board (PEB).
- b. **Fee Determining Official (FDO):** The individual who makes the final determination of the amount of fee to be awarded to the Contractor.
- c. **Performance Evaluation Board (PEB):** The group of individuals who review the Contractor's performance and recommend an award fee to the FDO. The PEB chairperson is the DOE Site Lead, Paducah. Members of and advisors to the PEB are indicated in Exhibit 1.
- d. **Project Team Evaluators (PTE):** The individual(s) assigned to monitor and evaluate the Contractor's performance on a continuing basis. The PTE's evaluation is the primary point of reference in determining the recommended award fee, especially the technical support area of performance. The PTE are responsible for providing their input, as requested, to the Remediation Engineer. The PTE is an advisor(s) to the PEB.
- e. **Technical Lead (TL):** The individual who is most directly responsible for the satisfactory performance of the deactivation services. The TL manages the award fee evaluation process, coordinates the development of the award fee plan and subsequent revisions, and also serves as the recorder, who is responsible for insuring the PEB is properly convened, which includes meeting place, time, advising all PEB members, preparing the agenda, and taking minutes. The TL is an advisor to the PEB.

3. AWARD FEE STRUCTURE

The award fee will be structured into two sections, categories of performance section and a performance based incentive section.

a. The first section has been divided into the following general categories of performance:

TBD

Each category will be evaluated separately and will receive a grade ranging from Unsatisfactory to Excellent. Safety will be a “gate criteria” where the contractor must maintain quarterly Paducah Site cumulative Days Away, Restrictions and Transfers (DART) and Total Recordable Cases (TRC) rates at or below the Department of Energy (DOE) Environmental Management (EM) Goal by the end of each reporting period. The Fiscal Year (FY) Goal for DART is *TBD* and for TRC is *TBD*. If the contractor fails to meet this “gate criteria”, *TBD*% of the available base award fee will be unavailable to be earned during that evaluation period. The percent of fee placed on this section will be *TBD*%.

b. The second section will include specific performance based incentive (PBI) criteria based on work to be performed during the annual evaluation period. PBIs will be determined prior to the annual evaluation period and an award fee amount assigned. Grades will be assigned from Unsatisfactory to Excellent for each specific PBI. The percent of fee placed on this section will be *TBD*%. These PBIs will be determined during the third quarter of the evaluation period for the upcoming evaluation period. This Award Fee Plan will be updated annually to include the new PBIs and approved by the Portsmouth/Paducah Project Office Manager.

4. ORGANIZATIONAL STRUCTURE

a. The Manager, Portsmouth/Paducah Project Office, will serve as the FDO and will establish a PEB. The PEB will assist the FDO in the award fee determination by recommending an award fee for the Contractor’s performance. If a PEB member is absent, the FDO will approve substitute(s) with similar qualifications. Technical and functional experts, as required, may serve in an advisory (non-voting) capacity to the PEB. See Exhibit 1 for members and potential advisors.

b. The award fee for this Task Order shall be awarded upon the unilateral determination of the FDO that an award fee has been earned. The unilateral decision is made solely at the discretion of the Government. This determination shall be based upon the FDO's evaluation of the Contractor's performance, as measured against the evaluation criteria set forth in the Award Fee Plan.

c. A copy of the Award Fee Plan shall be provided to the contractor 30 days prior to the start of the first evaluation period. This Award Fee Plan shall include both categories of performance

and specific performance-based incentive award fee criteria (i.e., PBIs) as described in Section 3. Changes which do not impact the award fee criteria or process, such as editorial or personnel changes may be made and implemented without being provided to the contractor 30 days prior to the start of the evaluation period.

5. RESPONSIBILITIES

- a. The PTE(s) will monitor and evaluate the Contractor's performance. The PTE(s) will work closely with the CO and Technical Lead (TL) in performing surveillance duties. PTE(s) will use Exhibit 2, Award Fee Rating Table and Exhibit 3, Rating Criteria, in monitoring and evaluating Contractor's performance. Monitoring and evaluating performance will include but not be limited to the routine interface and oversight of the Contractor and the review of the provided services and work products submitted to DOE by the Contractor. PTE(s) will also evaluate quarterly input by the Contractor.
- b. The TL will use the Award Fee Rating Table in Exhibit 2 to determine the adjective ratings to be reported to the PEB. The TL will be thoroughly familiar with current award fee policy, guidance, regulations, and correspondence pertinent to the award fee process. The TL will coordinate administrative actions required by the PTE(s), the PEB, and the FDO. Administrative actions include receiving, processing, and distributing performance evaluation inputs, scheduling and assisting with internal milestones, i.e., PEB briefings, and other actions as required for the smooth operation of the award fee process.
- c. The PEB members will review the PTE's evaluation reports and the TL's recommended adjectival rating, consider information from other pertinent sources, and develop a fee recommendation. The PEB chairperson will provide the fee recommendation to the FDO.
- d. The FDO will review the PEB's recommendations, consider all appropriate data, and notify the CO in writing of the final fee determination. The CO will prepare a letter for FDO signature notifying the contractor of the award fee amount. The CO will modify the Task Order to reflect the earned award fee for the performance evaluation period.

6. AWARD FEE AMOUNTS AND PERIODS

- a. The total award fee available is **\$TBD**. An annual amount will be available for each fiscal year subject to Task Order adjustments through modification of the Task Order.
- b. Following are the amounts currently available for each evaluation period:

<u>Annual</u>	<u>Period</u>	<u>Amount Available*</u>
First	TBD	\$TBD
Second	TBD	\$TBD
Third	TBD	\$TBD

* Award fee amount includes fee that will only be available if work scope is authorized by the Contracting Officer. The amounts corresponding to each evaluation period is the maximum amount that may be earned during that particular period unless the amount is increased by Task Order modification.

c. The Contracting Officer may authorize provisional payments of up to 85% of the available award fee for the period once the contractor has an approved Earned Value Management System and the Task Order Performance Baseline specified in Section H.109 has been approved by DOE. These payments are at the discretion of the CO and are provisional in nature (i.e., award fee is not actually earned until the Fee Determination Official (FDO) has issued a Fee Determination, at which time the contractor shall immediately repay any provisional amount overpaid, or invoice for the balance of fee determined as appropriate. The Government has the option of offsetting the overpayment from invoices submitted by the Contractor).

Any unearned Award Fee from each evaluation period will not be eligible to be earned in any future period(s).

d. If the CO reduces fee in accordance with the Task Order Clause I.220 entitled “DEAR 952.223.76 Conditional Payment of Fee or Profit – Safeguarding Restricted Data and Other Classified Information and Protection of Worker, Safety and Health (DEC 2010)” or other Task Order clauses, the award fee pool for the evaluation period shall be decreased by the equivalent amount.

e. The Government may unilaterally revise the distribution of the award fee, as indicated in paragraph 6b above, in any subsequent evaluation periods. The CO will notify the Contractor in writing of such changes in distribution before the relevant evaluation period begins and the award fee plan will be modified accordingly. After an evaluation period has begun, changes may only be made by mutual agreement of the parties. While the Government may unilaterally change the award fee amounts for each period or each rated criteria area prior to the start of each award fee period, the total amount of award fee available may not be unilaterally changed once established at the beginning of each evaluation period.

7. AWARD FEE PROCESS (See Exhibit 5, Award Fee Process Flowchart)

a. PTE Actions

(1) PTE(s) will continually monitor and evaluate the Contractor’s performance using the criteria contained in Exhibit 3, Rating Criteria. Monitoring and evaluating performance will include but not be limited to the routine interface and oversight of the contractor and the review of the provided services and work products submitted to DOE by the contractor. PTM(s) will also evaluate quarterly input by the Contractor.

(2) For the Category of Performance (CP) items, the PTE will evaluate these items on a quarterly basis. The PTE will use the appropriate CP rating criteria in Exhibit 3 to evaluate the

Contractor's performance. The PTE will review and evaluate each evaluation criteria for each CP item to determine the performance level of the Contractor. If a weakness appears in any way to negatively impact ES&H performance or the safeguarding of restricted data pursuant to the Task Order, the PTE shall notify the Site Lead and the CO. A weakness for any Category of Performance is defined as any failure to meet CP evaluation criteria. The PTE will maintain all documentation for file maintenance. The PTE will use the documentation to ensure contractor has established adequate procedures to prevent recurrence of weaknesses.

(3) At the end of each quarter the PTE will submit to the TL the rating criteria, Exhibit 3, for all Category of Performance items. Based on the above evaluation results, the PTE will select the appropriate adjective rating with written notes on the strengths and weaknesses of the Contractor to report to the TL.

b. Technical Lead's Actions

(1) The Technical Lead (TL) will select an adjective rating for each of the CP items based on his/her personal observations of performance and on the adjective rating reported by the PTE.

(2) The TL will use Exhibit 4, Adjective Rating Summary Table, to record the PTE's adjective rating for the quarter and the TL's adjective rating. The TL is not permitted to change the PTE's adjective rating. In addition to reporting the PTE's notes on the strengths and weaknesses of the contractor, the TL will annotate his/her rationale for selecting a particular adjective rating.

(3) The TL will use Exhibit 4, Annual Adjective Rating, to compute the annual adjective rating average for the award fee.

(4) The TL will submit a completed Exhibit 4, Annual Adjective Rating, for presentation to the PEB, along with a draft Performance Evaluation Report (PER).

(5) The TL prepares functional area evaluation reports in a briefing format as determined by the PEB chairperson. The area report briefing should include a mix of specific and global evaluation comments so the PEB can get a holistic assessment of the contractor's performance.

(6) The TL notifies PEB members and any advisors of the date and time of the PEB meeting in accordance with the schedule established by the PEB chairperson. Additionally, the TL notifies the contractor of the date and time of PEB meeting and advises the Contractor of when and how (written, oral, or both) he/she will be permitted to address the PEB as determined by the PEB chairperson. Generally, the Contractor will be provided the opportunity to provide written materials (limited to no more than 20 pages) and make an oral presentation of up to 30 minutes. The presentation should be provided in advance and should be in the form of a self-assessment measured against each award fee criteria section. Prior to the PEB meeting, the TL will provide the PEB members with a page-numbered binder to include, at a minimum, the input for the fiscal year from the PTE members, functional area evaluation reports, the forms required to be filled out during the evaluation meeting, the Contractor's award fee presentation, and the draft PER.

c. **PEB Actions**

(1) Site Lead, Paducah will chair the PEB. The FDO may approve the PEB members recommended by the chairperson. The PEB chairperson will establish dates, times, and places for the PEB meeting and notify the Technical Lead (TL) for appropriate notification to members, advisors, and the contractor. The chairperson will schedule the PEB meeting to ensure the PEB's recommended fee is presented to the FDO within 30 days following the close of the evaluation period.

(2) PEB members will consider all information from the following sources in determining its award fee recommendation to the FDO:

- (a) Evaluations submitted by the PTEs and TL. Chairperson may require oral briefings by the functional area personnel.
- (b) Information submitted by other sources as considered appropriate by the PEB.
- (c) Contractor's written or oral (or both as determined by chairperson) self-assessment of performance.

(3) Using Exhibit 4, Annual Adjective Rating Table; each member will document their adjective rating from Exhibit 2, Award Fee Rating Table, and provide their rationale by attaching notes to Exhibit 4 for their selection.

(4) The chairperson will collect members' Annual Adjective Rating Table, Exhibit 4, and review them. If any member's adjective rating is "below standards" and this rating is lower than a PTE(s) adjective rating for that same area, appropriate discussions with that member(s) should be conducted to determine the member's rationale. Lowering the adjective rating requires specific reasons, since the Contractor will be aware of all weaknesses from the PTE's quarterly evaluation. Once the chairperson is satisfied with the PEB's rating results, the chairperson will pass the individual member's rating sheets to the TL.

(5) The TL summarizes individual member's adjective ratings for the rating criteria using Exhibit 4, Summary of PEB's Rating and provides a summary of the adjective rating to ensure PEB consensus with the resulting overall rating. The PEB will then strive to gain consensus on a fee/fee range recommendation to the FDO. The chairperson will have the TL update the draft Performance Evaluation Report (PER) with changes based on PEB input, as necessary.

(6) The chairperson will prepare or will have the TL prepare a cover letter to transmit Exhibits 3 and 4; Summary of PEB's Rating, and the final PER to the FDO.

(7) The PEB Chair will meet with the contractor's manager quarterly (the first through third quarters) to discuss PTE and TL ratings, upon request. If issues have not been previously communicated by DOE to the contractor, this gives the contractor an opportunity to make corrective actions prior to the fourth quarter meeting of the PEB.

d. **FDO's Actions**

(1) The FDO determines the final fee based upon all the information furnished and assigns a final percent of award fee earned for the evaluation period using the Exhibit 2 Award Fee Conversion Chart.

(2) The FDO obtains Head of Contracting Activity (HCA) concurrence and notifies the CO in writing or via electronic correspondence of his/her final determination of award fee

e. **CO's Actions**

(1) The CO will prepare a letter for the FDO's signature notifying the contractor of the amount of award fee earned for the annual period. Additionally, the letter will identify any specific areas of strengths and weaknesses in the contractor's performance.

(2) The CO will unilaterally modify the Task Order to reflect the FDO's final determination of award fee. This modification will decrease the total value of the Task Order commensurate with the amount of the fee unearned. The modification will be issued to the contractor within 14 days after the CO receives the FDO's decision.

(3) In accordance with Head of Contracting Activity, Office of Environmental Management Directive, (EM HCA Directive 2.6, dated June 11, 2012), the CO will post on the local Portsmouth/Paducah website the (a) Modification (if applicable), (b) one-page scorecard, (c) Award Fee Determination Letter, (d) final Performance Evaluation Report.

EXHIBIT 1: PERFORMANCE EVALUATION BOARD MEMBERS AND ADVISORS

Fee Determining Official:

Manager, PPPO Lexington	TBD
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Following are PEB members and advisors:

Site Lead, Paducah (Chairperson)	TBD
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Deputy Manager, PPPO Lexington	TBD
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Lead Contracting Officer, PPPO Lexington	TBD
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*Contracting Officer	TBD
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*Technical Lead	TBD
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*Project Team Evaluators ¹	TBD
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*Attorney Advisor	TBD
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*Advisors Only - Non-Voting Participants

¹ The PEB Chair may add, remove or replace additional PTEs throughout the Task Order period of performance, as appropriate.

<u>AWARD FEE RATING TABLE</u>		
<u>ADJECTIVE RATING</u>		<u>DEFINITION</u>
EXCELLENT	91%-100%	Contractor has exceeded almost all of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the Task Order in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
VERY GOOD	76%-90%	Contractor has exceeded many of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the Task Order in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
GOOD	51%-75%	Contractor has exceeded some of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the Task Order in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
SATISFACTORY	No Greater Than 50%	Contractor has met overall cost, schedule, and technical performance requirements of the Task Order in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
UNSATISFACTORY	0%	Contractor has failed to meet overall cost, schedule, and technical performance requirements of the Task Order in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.

Exhibit 3

<u>AWARD FEE CONVERSION CHART</u>		
<u>ADJECTIVE RATING</u>	<u>EVALUATION POINTS (OVERALL WEIGHTED RESULT)</u>	<u>PERCENTAGE OF AWARD FEE EARNED</u>
EXCELLENT	<i>TBD</i>	<i>TBD</i>
VERY GOOD	<i>TBD</i>	<i>TBD</i>
GOOD	<i>TBD</i>	<i>TBD</i>
SATISFACTORY	<i>TBD</i>	<i>TBD</i>
UNSATISFACTORY	<i>TBD</i>	<i>TBD</i>

CATEGORY OF PERFORMANCE (BASE)

Weightings

CATEGORY OF PERFORMANCE (BASE)

Weightings

1. TBD
- 2.
- 3.
- 4.

**CATEGORY OF PERFORMANCE (Performance
Based Incentives for TBD to TBD)**

Weightings

-

**CATEGORY OF PERFORMANCE (Performance
Based Incentives for TBD to TBD)**

Weightings

1. TBD

Base² (X% of Available Fee) + PBI (X% of Available Fee) = Total Available Fee (100% of Available Fee)

Performance Based Incentive Summaries³:

² Failure to stay below DART/TRC Rates, as specified in Section 3a of this Award Fee Plan will result in an automatic *TBD*% reduction of the Base Award Fee.

1. TBD**Stretch****1. TBD****Award Fee Calculation Methodology:**

1. PTE assigns rating (0-25) for each Category of Performance.
2. Multiply weighting percentage to each CP to arrive at weighted result.
3. Add weighted results together to arrive at overall weighted result.

Example:

PTE Ratings:

Quality and Effectiveness of Documents and Support – 23

Quality and Effectiveness of Environment, Safety, Health and Quality Assurance (ESH&QA) – 22

Quality and Effectiveness of Project Support– 24

Quality and Effectiveness of Project Management (To include cost management) – 20

Weighted Result: $(23 \times 25\%) + (22 \times 30\%) + (24 \times 30\%) + (20 \times 15\%) = 22.55$

Overall Weighted Result: 22.55; round up to 23.

Adjective rating (Award Fee Conversion Chart): Excellent

Rounding Rule: .5 and above is rounded up to the next whole number.

FDO Decision

The earned award-fee amount indicated by the use of a conversion table or graph is a guide to the FDO. Use of the Award Fee Conversion Chart does not remove the element of judgment from the award fee process.

³ DOE will inspect site conditions to determine whether actions have been completed. In the event the contractor has not adequately completed 100% of the PBI, DOE may, at its sole discretion, allow partial fee within the PBI, based on the amount and quality of work completed.

Project Team Evaluator (PTE) Name: _____			FY: _____ Quarter: _____			
CATEGORY OF PERFORMANCE (EVALUATION WEIGHTING)	EXCELLENT	VERY GOOD	GOOD	SATISFACTORY	UNSATISFACTORY	N/A
1. TBD	23-25	19-22	14-18	8-13	0-7	
EVALUATION CRITERIA	Check Appropriate Box		NOTES ON STRENGTHS AND WEAKNESSES			
1.a	Excellent	<input type="checkbox"/>				
	Very Good	<input type="checkbox"/>				
	Good	<input type="checkbox"/>				
	Satisfactory	<input type="checkbox"/>				
	Unsatisfactory	<input type="checkbox"/>				
	N/A	<input type="checkbox"/>				
1.b TBD	Excellent	<input type="checkbox"/>				
	Very Good	<input type="checkbox"/>				
	Good	<input type="checkbox"/>				
	Satisfactory	<input type="checkbox"/>				
	Unsatisfactory	<input type="checkbox"/>				
	N/A	<input type="checkbox"/>				
1.c TBD	Excellent	<input type="checkbox"/>				
	Very Good	<input type="checkbox"/>				
	Good	<input type="checkbox"/>				
	Satisfactory	<input type="checkbox"/>				
	Unsatisfactory	<input type="checkbox"/>				
	N/A	<input type="checkbox"/>				

Adjective Rating Summary Table

<u>CATEGORY OF PERFORMANCE-</u> <u>Technical Lead</u>	<u>ADJECTIVE RATING</u>				
	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	RE Rating
1.					
2.					
3.					
4.					

ANNUAL ADJECTIVE RATING-PTE					
<u>CATEGORY OF PERFORMANCE</u>	<u>ADJECTIVE RATING</u>				
	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	PTE Recommended Rating for the Year
1.					
2.					
3.					
4.					

SUMMARY OF PTE'S RATING				
Member	Documents and Support	Environment, Safety, Health & Quality (ESH&Q)	Project Support	Project Management
<i>Insert Name of Voter</i>				
<i>Insert Name of Voter</i>				
<i>Insert Name of Voter</i>				
<i>Insert Name of Voter</i>				
<i>Insert Name of Voter</i>				
<i>Insert Name of Voter</i>				

Exhibit 5

AWARD FEE PROCESS

